

AUTHORITY MEETING MINUTES
November 17, 2014

Board Members Present: Chairman Neil Angell, Vice Chairman Ken Long, Vincent Bono, James D’Onofrio, James Franco, Barbara Freeman, Treasurer Harry Hertline, Robert Roberts and Jim Williams

Absent: Alicia Dicks

Authority Staff Present: Bill Rabbia, Jodi Tuttle, Joe Artessa, Jim Biamonte, Patrick Donovan, David Lupinski and Bill Schrader

Others Present: Kevin Martin, Esq.; MVCC Reps: Director Facilities & Operations Michael McHarris, Assistant Director of Facilities & Operations Thomas Gleason, Building Maintenance Supervisor Dan Yoxall, Director of Corporate Training and Chair of Sustainability Council Jack Altdoerfer and Assistant Director of Marketing and Communications Richard Haubert

Chairman Angell called the November 17, 2014 Authority Board meeting to order at 4:32 PM, and opened with the Pledge of Allegiance.

A motion was made by Ms. Freeman, seconded by Mr. D’Onofrio and passed to approve the September 15, 2014 Authority Minutes.

There were no speakers for public comment period.

Director of Recycling David Lupinski said that in recognition of America Recycles Day, the Authority annually recognizes an individual, institution or industry that has taken the initiative to reduce its solid waste stream through recycling and proper disposal. This year the Authority is honoring Mohawk Valley Community College (MVCC) as its 2014 Recycling Champion. Mr. Lupinski stated that MVCC has incorporated sustainability initiatives into every aspect of the college, including daily operations, curriculum, student life, and community outreach. The Authority has been working directly with MVCC’s Director of Facilities and Operation, Michael McHarris, and MVCC staff throughout this endeavor. Mr. Lupinski said that MVCC’s sustainability initiatives include forming a Sustainability Council (faculty/staff) and a Sustainability Club (students); creating and implementing a sustainability educational campaign for students and staff; investing in recycling containers for every classroom, dormitory, office and hallway campus-wide to reduce waste; and recycling over 8, 818 feet of fluorescent mercury bulbs, over 104 tons of paper, plastics, metal and glass, and over 4.8 tons of wood pallets; composting over 4.4 tons of green waste from its Utica campus; and implementing waste reduction and energy efficient policies and practices.

On behalf of MVCC, Jack Altdoerfer (Chair of the Sustainability Council) and Mike McHarris (Director of Facilities and Operations) said that they are honored to receive this recognition and expressed their gratitude to Mr. Lupinski and Authority staff for helping them throughout this challenge.

Resolution No. 18 was introduced by Ms. Freeman, seconded by Mr. Hertline and passed commending MVCC as 2014 Recycling Champion. Authority Secretary Jodi Tuttle read the resolution aloud.

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James A. Franco

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Jodi M. Tuttle
Authority Board Secretary

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Executive Director Bill Rabbia and Comptroller Pat Donovan presented an overview of the proposed 2015 Authority budget through a PowerPoint presentation. Mr. Rabbia reported that 2015 budget preparation began in August with a draft budget provided to the Finance Committee in September. At that time, the Finance Committee also requested that the Authority's five-year financial plan be updated. Meetings with the Finance Committee continued throughout October to finalize the draft 2015 budget and five-year financial plan. The draft budget was released to the public on October 29, 2014. Mr. Rabbia noted that for the third consecutive year, reductions in tipping fees are being proposed for 2015. Tip fee reductions include municipal solid waste (msw) and sludge decreasing \$2 per ton from \$68 to \$66, and local solid waste that comes from areas in close proximity to the Landfill, such as the Town of Ava and Town and Village of Boonville, decreasing \$2 per ton from \$58 to \$56. All other rates for 2015 will remain the same as 2014. Mr. Rabbia stated that Oneida-Herkimer recyclables will continue to be accepted at no charge for the 24th consecutive year. Graphs illustrating historical msw tipping fees for the period 1990 - 2015 and historical msw tipping fees versus the rate of inflation for the period 1990 - 2014 were reviewed. An analysis of 2013 actual and 2014 and 2015 projected tonnage by waste class was provided. MSW waste tonnage is projected at 155,000 tons for 2015. Overall waste volumes projected for 2015 total 262,900 tons. Mr. Rabbia provided an overview of system revenues outlining 2013 actual, 6-month data from 2014, and projections for 2015. A historical review of recycling revenues and budget projections for 2015 was provided. Revenue generated from the sale of recyclables is projected at \$2,600,000 for 2015. Mr. Rabbia explained proposed 2015 revenue assumptions for solid waste, recyclables, landfill gas, recyclable processing fees, carbon credits and miscellaneous revenues. The Authority will continue to operate two engines at its power facility and continue its revenue sharing with WM Renewable Energy in 2015. The Authority's contract with Oswego County for processing their recyclables began in 2014 and, therefore, projected revenue is based upon 2014 data (\$431,000). Mr. Rabbia noted that the Authority will see a decrease in interest earnings in 2015 as a result of the payoff of the 1998 Bonds and the expiration of the 1998 Debt Service Reserve Fund investment.

Comptroller Pat Donovan provided an overview of system expenditures by cost center, including 2013 actual, 6-month data from 2014, and 2015 proposed. Total system expenditures proposed for 2015 total \$20,032,000. The 2015 proposed expenditure assumptions include a 7% increase in health insurance expenses over 2014 projected expenses, fuel costs budgeted at \$3.60 per gallon, \$455,000 of contracted host community payments and public education expenses budgeted at \$50,000.

Capital projects funded through tipping fees will increase to \$1,465,500 in 2015, which is a \$639,500 increase over 2014 budget. Mr. Rabbia said that capital projects include a new addition to the Recycling Center to store baled recyclables (\$500,000) and stormwater improvements (\$400,000).

The 2015 proposed landfill reserves total \$2,100,000 [\$500,000 for landfill equipment replacement and \$1,600,000 for landfill liner extension]. The proposed capital plan includes projections through 2019 and includes projected expenditures for cell liner extension in 2017/2018 that will be funded through an established reserve. The overall budget for the City of Utica and the five Herkimer County villages in which the Authority administers their solid waste and recycling programs, is projected at \$4,917,000 for 2015.

The proposed 2015 Authority Budget totals \$24,949,000 [system revenues/expenses total \$20,032,000 and municipal revenues/expenses total \$4,917,000].

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Following discussion, a motion was made by Mr. Long, seconded by Ms. Freeman and passed to set a public hearing on the proposed 2015 budget for December 15, 2014 at 4:30 PM.

Mr. Donovan stated that the Authority is required to annually review and approve its Investment Policy and Guidelines and said that Resolution No. 19 before the Board would approve the Investment Policy and Guidelines without modification. He reported that the Finance Committee reviewed the Investment Policy and is recommending no modifications at this time. All Authority investments are in compliance with the Investment Policy.

Resolution No. 19 was introduced by Mr. Bono, seconded by Mr. Williams and passed to approve the Investment Policy and Investment Guidelines without modification.

Mr. Rabbia reported that the Authority issued a draft Request for Proposals (RFP) for the purchase and/or marketing of processed paper recyclables in July 2014, as the current contract with Waste Management Recycle America (WMRA) expires December 31, 2014. Comments were considered and a final RFP was issued in September 2014. Four companies responded to the final RFP and the top three respondents were interviewed. Staff is recommending awarding the contract to WMRA. Mr. Rabbia noted that Resolution No. 20 would authorize entering into a new five-year agreement with WMRA for the marketing of paper recyclables.

Resolution No. 20 was introduced by Mr. Hertline, seconded by Mr. Franco and passed approving a five-year agreement with WMRA for the marketing of paper recyclables.

Mr. Rabbia stated that in June 2014, the Authority Board authorized a Letter of Intent to New York State Energy Research and Development Authority for a solar project. Solar City Corporation (San Mateo, CA) was awarded the NYSERDA bid for the project. Mr. Rabbia has been communicating with Solar City. Solar City will provide a draft power purchase agreement for construction of a solar array project on approximately 8.8 acres adjacent to the Authority's Western Transfer Station in Rome. Mr. Rabbia said that the array proposed would generate approximately 1.2 megawatts of electricity annually and could generate a potential savings of \$80,421 within the first year. Solar City estimates a savings of approximately \$2.1 million over 20 years. Mr. Rabbia said that a draft contract will be provided to the Board prior to the December meeting.

Mr. Bono relayed that the Herkimer County will be providing assistance to Habitat for Humanity to rehab a house in Herkimer County and inquired as to whether this Authority could assist in any way. Discussion ensued. It was discussed that the Authority typically doesn't waive tipping fees. There was further discussion on other ways to assist the County, such as providing roll-off containers.

At 5:45 PM, with no further business, a motion was made by Mr. Long, seconded by Mr. Hertline and passed to adjourn the meeting.

Respectfully submitted,

Jodi M. Tuttle
Authority Secretary